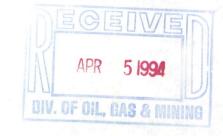




Michael O. Leavitt Governor Dianne R. Nielson, Ph.D. Executive Director Don A. Ostler, P.E. Director

288 North 1460 West P.O. Box 144870 Salt Lake City, Utah 84114-4870 (801) 538-6146 (801) 538-6016 Fax (801) 536-4414 T.D.D.



April 1, 1994

Mr. Gary Wardle Mr. Lynn SpatFord Natural Resource Holding Company, L.L.C. 230 South 500 East Salt Lake City, Utah 84102

> RE: Red Bone No. 3 - Placer Mine

Gentlemen:

We have reviewed a copy of your Mining Notice. We received a copy of the notice from the Bureau of Land Management on March 28, 1994. This project was discussed in length, by phone, with Mr. Wardle and Mr. Lyle Stott of my staff.

This project is for surface mining gold and tungsten through a gravity recovery process and will involve less than five acres. Wash water used in the process is recirculated through a pond. No chemicals are used in this process.

It does not appear that the operation, as described, will have any water quality impacts; however, to be certain we would like to inspect the facility. No permit is required for the stated activities at this time. Please advise use prior to processing the ore so that we can schedule an inspection.

If we can be of further assistance, please contact me or Mr. Stott.

Sincerely,

Kiran L. Bhayani, P.E., D.EE., Manager

Design Evaluation Section

KLB:LWS:pa

Travis W. Jones - Division of Oil, Gas and Mining Rex Rowley - Bureau of Land Management

N:WARDLE.083